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## FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 10.14.2009

Wall Street Journal: "Wall Street On Track To Award Record Pay ... Major U.S. banks and securities firms are on pace to pay their employees about \$140 billion this year -- a record high that shows compensation is rebounding despite regulatory scrutiny of Wall Street's pay culture."

Wall Street Journal: "Showdown Looms Over AIG Bonuses ... The U.S. pay czar is clashing with American International Group Inc. over \$243 million in retention bonuses, potentially sparking a showdown over the insurer's compensation practices."

Wall Street Journal: "Financial-Services Regulation Fuels Tiff ... A public clash over proposals for financial-services regulation is intensifying between the White House and the nation's largest business lobby as a House committee begins considering legislation Wednesday."

Wall Street Journal: "Turmoil in Arbitration Empire Upends Credit-Card Disputes ... New York financier J. Michael Cline set out to build a billion-dollar empire in the realm of consumer-debt disputes. His firm would stand at the center of a complex arrangement linking America's biggest arbitrator of consumer credit-card disputes with another business that collects debts in some of those same cases."

Wall Street Journal: "The Message of Dollar Disdain ... Unprecedented spending, unending fiscal deficits, unconscionable accumulations of government debt: These are the trends that are shaping America's financial future. And since loose monetary policy and a weak U.S. dollar are part of the mix, apparently, it's no wonder people around the world are searching for an alternative form of money in which to calculate and preserve their own wealth."

Wall Street Journal: "MBS, R.I.P.? ... The \$1.7 trillion mortgage securitization market is still a mess, despite (or in part because of) the Federal Reserve's \$700 billion splurge into the market. But another reason may be Treasury's decision to undermine private mortgage-backed securities (MBS) contracts."

Washington Post: "Private Equity Had Role in Crisis, Says Carlyle Co-Founder ... Carlyle Group co-founder David M. Rubenstein acknowledged Tuesday at a conference on private equity in Dubai that his industry helped drive the recent financial bubble, whose eventual implosion contributed to the credit crisis and the current recession."

Washington Post: "Don't Reinflate the Old Bubbles ... Analysts at Goldman Sachs suggested Tuesday that, despite a 50 percent run-up in stock prices that has left the Dow Jones industrial average just shy of 10,000 and the S&P 500 selling at 20 times earnings, stocks are still cheap."

NY Times: "French Bank to Repay Government Bailout ... Crédit Agricole, the French bank, said Wednesday that it would repay the €3 billion of debt the government bought last December, becoming the latest big bank to pay back a bailout."

NY Times: "That Promised Financial Reform ... Pretty much everyone agrees on the causes for the country's desperate financial mess: predatory lenders, weak regulations, even weaker regulators, and risky nigh unto incomprehensible financial instruments."

LA Times: "How about a bailout for student debtors? ... Like many recent college grads, Los Angeles resident Steven

Lee finds himself unemployed in one of the roughest job markets in decades and saddled with a big pile of debt. He owes about \$84,000 in student loans for undergrad and grad-school costs."

LA Times: "Mortgage professionals expect home foreclosures to keep rising ... Despite sub-5% mortgage rates and signs that home prices have bottomed out in some places, executives and economists are decidedly downbeat about the future of the country's mortgage industry as well as the housing market it depends on."

USA Today: "Congress tackles derivatives that brought down the house ... For more than a decade before derivatives brought down insurance giant American International Group and caused a global financial panic last fall, law professor Lynn Stout was one of the lonely voices warning that disaster was looming."

Bloomberg: "Geithner Aides Reaped Millions Working for Banks, Hedge Funds ... Some of Treasury Secretary Timothy Geithner's closest aides, none of whom faced Senate confirmation, earned millions of dollars a year working for Goldman Sachs Group Inc., Citigroup Inc. and other Wall Street firms, according to financial disclosure forms."

Reuters: "U.S. says AIG should lower retention payments ... The U.S. Treasury Department is pushing American International Group (AIG.N) to cut big pay incentives it claims were needed to keep staff, but which have stoked a controversy over pay at taxpayer-supported firms."

The Hill: "Lobbyists dig in for financial markup ... Lobbyists on both sides of a new consumer financial protection agency are digging in for Wednesday's mark up."

Politico: "SEC deal could embarrass Ben Bernanke ... Almost everyone in Washington expects smooth sailing for Federal Reserve Board Chairman Ben Bernanke at his as-yet-unscheduled Senate confirmation hearings."